

**COUNTY OF SAN DIEGO, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Subject**

Lease of Real Property for County Use

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Purpose

To establish a policy governing the leasing of real property for County use.

Background

The County frequently leases real property for its use. The Board of Supervisors has recognized that establishing an orderly and efficient process for leasing property is necessary to insure that the County's needs are properly met.

Policy

It is the policy of the Board of Supervisors that:

1. The leasing of property for County use shall be carried out under the Procedure set forth in this Policy, and shall be initiated only following approval by the Board of Supervisors.
2. All property leased for County use shall be functionally safe and meets all applicable state and local regulations.
3. All departments shall comply with Board of Supervisors Policy G-16, Capital Facilities Planning and B-39a, Disabled Veterans Business Enterprise Program.

Procedure

Processing of new leases shall be in accordance with a listing of all leases by priority as established by the Director, Department of General Services.

A market search initiated by appropriate advertising shall normally be used to locate suitable property. All interested parties shall be given an opportunity to submit proposals for consideration up to the pre-announced closing date for accepting lease proposals.

The Director, Department of General Services, may conduct a physical search (i.e., driving in area) in lieu of advertising, where the approved search area is sufficiently small to allow a thorough search.

The Director, Department of General Services, shall have the discretion to utilize a closed bid method of lease negotiation. For the purposes of this policy, a closed bid method of lease negotiation entails the advertising, by the County, of a bid package, which includes

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architectural plans and specifications, and simultaneous opening of prospective lessor proposals in response to the bid package.

The Director, Department of General Services shall negotiate with prospective lessors to determine the relative merits and cost effectiveness of the proposed lease. The negotiations shall consider, but not be limited to:

1. Analysis to determine if required services (utilities, maintenance, custodial, and security services, etc.) should be provided by the County or by the Lessor.
2. Cost of remodeling that may be necessary.
3. Provisions for cancellation, assignment, subletting, or other appropriate means of terminating lease obligations, and identification of costs associated with such cancellation provisions.
4. Option to purchase.
5. County's participation in real estate commissions.

Except for leases for a term not to exceed three (3) years and for a rental not to exceed seven thousand five hundred dollars (\$7,500) per month, the Director, Department of General Services shall submit a recommendation to the Board of Supervisors regarding the preferred lease accompanied by:

1. A comparative analysis of the three to five best proposals received. If less than three proposals are received, an evaluation of the reasons for a lack of response will be provided.
2. An identification of lease cancellation provisions and the cost of such. If there are no provisions for lease cancellation, that shall be so stated and reasons provided.
3. Options to purchase shall be identified, or the reasons for the lack of such options shall be provided.

The Director, Department of General Services, or his/her designated representative, may negotiate and execute any lease for a term not to exceed three (3) years and for a rental not to exceed seven thousand five hundred dollars (\$7,500) per month. The Director or his/her designated representative may also amend any lease for improvements or alterations with a total cost of \$7,500 or less provided that the amendment does not extend the term of the lease, and that no more than two amendments, not to exceed

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\$7,500 each are made within a 12-month period. The Director, or his/her designated representative, shall post a notice of intention to consummate the lease in a public place for five working days prior to consummation of the lease, and shall simultaneously submit a report to the Board concerning such intention. Responsibility for the compliance with the California Environmental Quality Act for these leases is delegated to the Director of the Department of General Services.

Sunset Date

This policy will be reviewed for continuance by 12-31-09.

Board Action

07-31-73 (3)  
11-08-73 (17)  
06-25-74 (81)  
09-26-77 (107)  
05-02-78 (5 & 6)  
05-22-79 (150)  
03-18-80 (28)  
07-26-88 (43)  
12-12-89 (49)  
06-05-90 (43)  
10-23-90 (45)  
02-12-91 (22)  
12-5-95 (36)  
12-09-97 (19)  
12-04-01 (11)  
01/28/03 (16)

CAO Reference

1. Department of General Services
2. Auditor and Controller